



Certified

State of Ohio Environmental Protection Agency

Northeast District Office

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Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

October 18, 2007

RE: **NOTICE OF VIOLATION**
ENERGY DEVELOPMENTS –
LORAIN POWER STATION
FACILITY ID 02-47-10-0968

Energy Developments, Inc.
Attn: Mr. John Love
16360 Park Ten Place, Suite 218
Houston, Texas 77084

Dear Mr. Love:

On January 10, 2007 and July 18, 2007, the Ohio EPA Division of Air Pollution Control (DAPC) conducted compliance inspections at the power station co-located at the Lorain County (Ohio) Landfill. The purpose of these inspections was to determine the compliance status with state and federal regulations, and permit-to-install (PTI No. 02-17062) issued by Ohio EPA-DAPC for the facility. I represented Ohio EPA and John Mason represented Energy Developments, Inc. (EDI) for both inspections. Liza Mireles was also on site to represent EDI for the January 10, 2007, inspection. Based on the results of these inspections, and review of our records, Ohio EPA has determined that the facility is in violation of the permit terms of PTI No. 02-17062, as detailed below.

PTI term A.II.5 for each generator (P001-P008) reads: "The allowable gas flow rate to the internal combustion engine's combustion chamber shall be determined during the most recent compliance test. Currently, the assumed maximum allowable gas flow rate has been established as 508 standard cubic feet per minute (SCFM, 70°F and 1 atmosphere) based on a landfill gas methane content of 49%."

EDI has known there is a discrepancy between the landfill gas flow measurements to the facility and to the engines since January of 2006. The instrumentation for flow measurements has not been able to adequately quantify the gas flow rates to each engine.

PTI term A.III.5 for each generator (P001-P008) reads: "The permittee shall collect and record each day all 3-hour blocks of time during which the average landfill gas flow rate to the internal combustion engine exceeds the maximum allowable gas flow rate as established during the most recent compliance test."

Because flow measurements to each engine has not been able to be properly measured, EDI has not been able to determined when landfill gas in excess of the permit allowable gas flow rate (based on the most recent stack test) is being delivered (fired) to (in) each engine.

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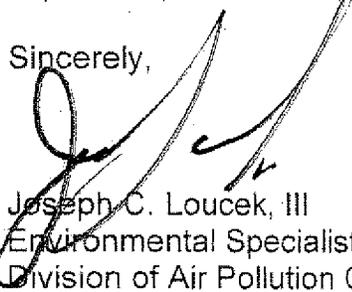
PTI term A.IV.2 for each generator (P001 – P008) reads: "The permittee shall submit deviation reports which identify the date(s) and duration the gas flow rate to the internal combustion engine exceeded the maximum gas flow rate requirements, as established during the most recent compliance stack test, as a three-hour average. These reports shall be submitted to the Northeast District Office of Ohio EPA by January 31 and July 31 of each year and shall cover the previous 6-month period."

A review of the past two (2) semiannual reports (second half 2006 and first half 2007) indicated that EDI is not reporting that the flow measurements are insufficient to adequately quantify the flows to each engine.

Ohio EPA recognizes the facility has hired consultants to assist in evaluating this gas flow measurement issue. However, EDI has been aware of the problem since at least January 9, 2006, when I cited the same violation for the power station co-located at the Carbon Limestone Landfill, and has been aware of the same issue at Lorain since at least February 26, 2007 (based on the earliest correspondence in my file with such record). Within thirty (30) days of receiving this letter, please have in place an operable remedy for properly quantifying the flow rates to each engine.

If you have any questions, please do not hesitate to call me at (330) 963-1258 or my supervisor, Bob Princic, at (330) 963-1230.

Sincerely,



Joseph C. Loucek, III
Environmental Specialist
Division of Air Pollution Control

JCL:bo

cc: Bob Princic, DAPC-NEDO
Tom Kalman, DAPC-CO
Lisa Holscher, US EPA, Region V